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## 15 Chapter 10. Discipline

### 16 12550. Purpose and Scope

- 17 (a) The purpose of this Chapter is to set forth disciplinary procedures and  
18 guidelines, which are applicable to the holder of any license, registration,  
19 permit, finding of suitability, or approval issued by the Commission.
- 20 (b) The disciplinary guidelines in this chapter are designed to promote fairness  
21 and the flexibility to deal with a wide range of disciplinary scenarios. Variation  
22 in sanctions based on differing circumstances and depending upon factors in  
23 aggravation or mitigation are an integral part of this disciplinary scheme so as  
24 to allow it to achieve its appropriate deterrent effect. When such factors are  
25 applied, pursuant to section 12556, they shall be detailed in the Findings of  
26 Fact.
- 27 (c) Nothing in this Chapter is intended to limit the authority of the Commission to  
28 issue orders of summary suspension pursuant to Business and Professions  
29 Code section 19913, or to limit the authority of the Division to issue  
30 emergency orders pursuant to Business and Professions Code section 19931.

31  
32 Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19912,  
33 19914, 19920, 19922, 19924, 19930, 19971, and 19984 of the Business and Professions  
34 Code.

35 Reference: Sections 19913, 19930, and 19931 of the Business and Professions Code.

### 36 12552. Grounds for Issuance of Notice of Violation and Offer to Pay Penalties 37 in Lieu of the Formal Hearing Process.

- 38 (a) Violation of law or violation of a previously imposed disciplinary condition may,  
39 in the discretion of the Division, be the subject of a Notice of Violation issued  
40 to a holder of a license, registration, or permit. A Notice of Violation shall  
41 specify the code section of the law violated, facts concerning the  
42 circumstances of the violation, and the penalty to be imposed, if not disputed

1 pursuant to subsection (b). A Notice of Violation may be accompanied by an  
2 Offer to Pay Penalties in Lieu of the Formal Hearing Process.

3 (1) Within the guidelines of Business and Professions Code section 19930,  
4 subdivision (c), if the Notice of Violation is for an owner of a gambling  
5 establishment, third-party provider of proposition player services  
6 business, or gambling business, the Offer to Pay Penalties in Lieu of  
7 the Formal Hearing Process shall be the equivalent of ten percent of  
8 the average daily gross gaming revenue, for the number of days for  
9 which the violation was noticed, with the exception that an Offer to Pay  
10 Penalties in Lieu of the Formal Hearing Process shall be no less than  
11 \$500 and no more than \$20,000 per instance of each code section  
12 violation.

13 (2) Within the guidelines of Business and Professions Code section 19943  
14 (failure to comply with 19841, subsection (d)), if the Notice of Violation  
15 is for an owner of a gambling establishment, the Offer to Pay Penalties  
16 in Lieu of the Formal Hearing Process shall be the equivalent of ten  
17 percent of the average daily gross gaming revenue, for the number of  
18 days for which the violation was noticed, with the exception that an  
19 Offer to Pay Penalties in Lieu of the Formal Hearing Process shall be  
20 no less than \$500 and no more than \$100,000.

21 (3) If the Notice of Violation is for a key employee or a supervisor of a  
22 gambling business or third-party provider of proposition player services,  
23 the Offer to Pay Penalties in Lieu of the Formal Hearing Process shall  
24 be no less than \$200 and no more than \$1000.

25 (4) If the Notice of Violation is for a holder of a work permit or an employee  
26 or player of a gambling business or third-party provider of proposition  
27 player services, the Offer to Pay Penalties in Lieu of the Formal Hearing  
28 Process shall be no less than \$100 and no more than \$500 per  
29 instance of each code section violation.

30 (5) If the Notice of Violation is for a person not otherwise described above,  
31 the Offer to Pay Penalties in Lieu of the Formal Hearing Process shall  
32 be no less than \$100 and no more than \$500 per instance of each code  
33 section violation.

34 (b) A holder of a license, registration, or permit may request to meet with the  
35 Division and discuss the basis or circumstances of the Notice of Violation.  
36 Such a request shall be communicated to the Division in writing within 15  
37 days of service of the Notice of Violation, in compliance with Code of Civil  
38 Procedure section 415.10 or 415.20. Any meetings shall occur within ten  
39 days of receipt of the request by the Division, unless the parties agree  
40 otherwise.

41 (c) An acceptance of the Offer to Pay Penalties in Lieu of the Formal Hearing  
42 Process by a holder of a license, registration, or permit shall be

1 communicated to the Division in writing within 35 days of service, in  
2 compliance with Code of Civil Procedure section 415.10 or 415.20.

3 (d) If no final agreement is reached between the holder of a license, registration,  
4 or permit and the Division after 36 days, the Division shall withdraw the Offer  
5 to Pay Penalties in Lieu of the Formal Hearing Process and the Division may  
6 proceed with the formal hearing process under this Chapter.

7 (e) A copy of all Notices of Violation and Offers to Pay Penalties in Lieu of the  
8 Formal Hearing Process shall be sent to the Commission when served upon a  
9 holder of a license, registration, or permit. Any agreement to pay a penalty in  
10 full or any settlement of an assessed penalty shall be submitted by the  
11 Division for approval by the Commission at a noticed Commission meeting or,  
12 at the Commission Chair's direction, by the Executive Director. The  
13 Commission or Executive Director shall have final approval authority  
14 concerning any such payment or settlement. Any payment in full or  
15 settlement of an assessed penalty shall include a plan for immediate  
16 abatement of all violations and a plan for immediate compliance with all  
17 statutory and regulatory requirements. If the Executive Director or  
18 Commission rejects an agreement to pay a penalty in full or a settlement of an  
19 assessed penalty, and no amended agreement or settlement is reached  
20 before two additional regularly noticed Commission meetings have concluded  
21 or sixty days have elapsed, whichever is later, then the Division shall proceed  
22 with the formal hearing process under this Chapter.

23 (f) Nothing in this section precludes the Division, in its discretion, from issuing  
24 warning notices and notices to cure or advisory letters regarding violations or  
25 possible violations of law.  
26

27 Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19912,  
28 19920, 19930, 19942, and 19984 of the Business and Professions Code.

29 Reference: Sections 19824, 19840, and 19930 of the Business and Professions Code.  
30

### 31 **12554. Formal Hearing Process**

32 (a) Upon the filing with the Commission of an accusation by the Division  
33 recommending revocation, suspension, or other discipline of a holder of a  
34 license, registration, permit, finding of suitability or approval, , the Commission  
35 shall proceed under Chapter 5 (commencing with Section 11500) of Part 1 of  
36 Division 3 of Title 2 of the Government Code.

37 (b) A "conviction" within the meaning of this chapter means a judgment or verdict  
38 of guilty, including a judgment or verdict following a plea of *nolo contendere*,  
39 notwithstanding any subsequent order under Penal Code section 1203.4.

40 (c) Findings of fact shall be based upon a preponderance of the evidence  
41 standard. The "preponderance of the evidence standard" is such evidence as  
42 when considered and compared with that opposed to it, has more convincing

1 force, and produces a belief in the mind of the fact-finder that what is sought  
2 to be proved is more likely true than not true.

3 (d) Upon a finding of a violation of any law related to gambling or gambling  
4 establishments, the Commission may:

- 5 (1) Revoke the license, registration, permit, finding of suitability, or  
6 approval;
- 7 (2) Suspend the license, registration, or permit;
- 8 (3) Order the licensing authority of a city, county, or city and county to  
9 revoke a work permit, pursuant to Business and Professions Code  
10 section 19914, subdivision (a),
- 11 (4) Impose any condition, limitation, order, or directive (including but not  
12 limited to a directive to divest an interest in a business entity  
13 pursuant to Business and Professions Code, section 19879);
- 14 (5) Impose any fine or monetary penalty consistent with Business and  
15 Professions Code, subdivision (c) of section 19930 or subdivision (b)  
16 of section 19943;
- 17 (6) Stay, in whole or in part, the imposition of a revocation or  
18 suspension against the holder of a license, registration, work permit,  
19 finding of suitability, or approval, or
- 20 (7) Order the holder to pay a monetary penalty in lieu of all or a portion  
21 of a suspension. Within the guidelines of Business and Professions  
22 Code sections 19930, subdivision (c), and 19943, subdivision (b):
  - 23 (A) If the respondent is an owner of a gambling establishment,  
24 third party provider of proposition services business, or gambling  
25 business, the monetary penalty shall be equivalent of twenty-five  
26 percent of the average daily gross gaming revenue, for the  
27 number of days for which the suspension is stayed.
  - 28 (B) If the respondent is a key employee of a gambling  
29 establishment or a supervisor of a gambling business or third-  
30 party provider of proposition services, the monetary penalty shall  
31 be \$100 per day for the number of days for which the suspension  
32 is stayed.
  - 33 (C) If the respondent is a holder of a work permit, a player or other  
34 employee of a gambling business or third-party provider of  
35 proposition services, or a person not otherwise described above,  
36 the monetary penalty shall be \$50 per day for the number of days  
37 for which the suspension is stayed.

38 (e) If a person's state gambling license is revoked by the Commission pursuant to  
39 this Chapter, the Commission may stay such revocation for a reasonable

1 period of time to allow such person to sell or divest himself or herself of  
2 ownership of the gambling establishment, provided that after the date on  
3 which the revocation is stayed by the Commission, such person shall not be  
4 entitled to, realize, or receive any profits, distributions, or payments that might  
5 directly or indirectly be due to such person or which arise out of, are  
6 attributable to, or are derived from controlled gambling.

7 (f) Any order to pay the costs of investigation or prosecution of the case shall be  
8 fixed pursuant to Business and Professions Code, section 19930, subdivision  
9 (d).

10 (g) For multiple violations, or for suspensions imposed by other jurisdictions  
11 based on the same violations, the decision shall state whether any  
12 Commission-imposed suspensions shall run consecutively or concurrently.

13 Authority: Sections 19811, 19823, 19824, 19840, 19850, 19853(a)(3), 19854, 19912, 19914,  
14 19920, 19922, 19924, 19930, 19932, 19971, and 19984 of the Business and Professions  
15 Code.

16 Reference: Sections 19857, 19858, 19859, 19862, 19870, and 19878 of the Business and  
17 Professions Code.

## 18 **12556. Factors in Mitigation or Aggravation of Penalty**

19 If presented by complainant or respondent, the Commission shall consider the  
20 following factors in mitigation or aggravation of the penalty imposed:

21 (a) Violation of any previously imposed or agreed upon condition, restriction or  
22 directive.

23 (b) Whether or not the conduct was knowing, willful, reckless, or inadvertent.

24 (c) The extent to which respondent cooperated with the Division or  
25 Commission during the investigation of the violation.

26 (d) The extent to which respondent was honest with the Division or  
27 Commission during the investigation of the violation.

28 (e) The extent to which respondent is willing to reimburse or otherwise make  
29 whole any person who has suffered a loss due to the violation.

30 (f) Whether respondent has initiated remedial measures to prevent similar  
31 violations.

32 (g) The extent to which respondent realized an economic gain from the  
33 violation.

34 (h) Disciplinary history of respondent, repeated offenses of the same or similar  
35 nature, or evidence that the unlawful act was part of a pattern or practice.

36 (i) Any other aggravating factors, including any factors which the Commission  
37 determines to bear on the health, safety, or welfare of the public.

- 1 (j) The extent to which there was actual or potential harm to the public or to  
2 any patron.
- 3 (k) The extent to which an owner licensee or supervisor of a gambling  
4 establishment, third-party provider of proposition player services, or  
5 gambling business exercised due diligence in management or supervision.
- 6 (l) If the violation was caused by an employee, the extent to which the owner  
7 licensee or registrant knew or should have known of the employee's  
8 improper conduct; the level of authority of the employee involved and the  
9 extent to which the employee acted within the scope of his or her authority  
10 in committing the violation.
- 11 (m) If the violation was caused by an independent contractor of a gambling  
12 business, the extent to which the gambling business owner licensee or  
13 registrant knew or should have known of the independent contractor's  
14 improper conduct; the level of authority of the independent contractor  
15 involved and the extent to which the independent contractor acted within  
16 the scope of his or her authority in committing the violation.
- 17 (n) If the violation was caused by a third party, the extent to which the owner  
18 licensee or registrant knew or should have known of the third party's  
19 improper conduct.
- 20 (o) Any evidence offered by respondent in mitigation of the violation.

21 Authority: Sections 19811, 19823, 19824, 19840, 19850, 19853(a)(3), 19854, 19912, 19914,  
22 19920, 19922, 19924, 19930, 19932, 19971, and 19984 of the Business and Professions  
23 Code.

24 Reference: Sections 19857, 19858, 19859, 19862, 19870, and 19878 of the Business and  
25 Professions Code.

## 26

### 27 **12558. Grounds for Discipline for Holders of Work Permits**

28 Pursuant to Business and Professions Code, section 19914, the holder of a work  
29 permit may be subject to a monetary penalty, suspension, or revocation by the  
30 Commission if the Commission finds that the holder:

- 31 (a) Engaged in or committed a prohibited act specified in Business and  
32 Professions Code 19914, subdivision (a).
- 33 (b) Does not meet or no longer meets any criterion for eligibility or  
34 qualification.
- 35 (c) Violated or is in violation of any condition, limitation or directive previously  
36 imposed on the work permit.
- 37 (d) Violated or is in violation of any Commission or Division regulations,  
38 including those regulations regarding work permits in the California Code  
39 of Regulations, title 4, division 18, chapter 2 (commencing with section  
40 12100).



1 Authority: Sections 19811, 19823, 19824, 19911, 19912, 19914, 19920, 19930, 19932, and 19971  
2 of the Business and Professions Code.

3 Reference: Section 19878 of the Business and Professions Code.

4 **12560. Grounds for Discipline and Disciplinary Guidelines for Holders of**  
5 **Licenses or Registrations**

6 (a) If the Commission finds that the holder of a state gambling license has failed  
7 to post a current and valid license, in violation of Business and Professions  
8 Code, section 19875:

9 (1) The minimum discipline shall be a monetary penalty, within the  
10 guidelines of Business and Professions Code, sections 19930,  
11 subdivision (c), and 19943, subdivision (b), of the following:

12 (A) If the establishment has one to five licensed tables, inclusive, the  
13 minimum penalty will be \$250;

14 (B) If the establishment has six to eight licensed tables, inclusive, the  
15 minimum penalty will be \$450;

16 (C) If the establishment has nine to 14 licensed tables, inclusive, the  
17 minimum penalty will be \$1050;

18 (D) If the establishment has 15 to 25 licensed tables, inclusive, the  
19 minimum penalty will be \$2150;

20 (E) If the establishment has 26 to 70 licensed tables, inclusive, the  
21 minimum penalty will be \$3200;

22 (F) If the establishment has more than 71 licensed tables, the  
23 minimum penalty will be \$3700;

24 (2) The maximum discipline shall be **suspension for five days** of normal  
25 business operation, which may be stayed on terms and conditions and  
26 any monetary penalty as described in section 12554(d)(7) of this  
27 chapter.

28 (b) If the Commission finds that the holder of a license or registration has violated  
29 or is out of compliance with any mandatory duty specified in or imposed by  
30 the Gambling Control Act or any Commission or Division regulation, which is  
31 not otherwise listed in these disciplinary guidelines, pursuant to Business and  
32 Professions Code section 19922:

33 (1) The minimum discipline shall be a monetary penalty, within the  
34 guidelines of Business and Professions Code sections 19930,  
35 subdivision (c), and 19943, subdivision (b), of the following:

36 (A) If the establishment has one to five licensed tables, inclusive, the  
37 minimum penalty will be \$250;

- (B) If the establishment has six to eight licensed tables, inclusive, the minimum penalty will be \$450;
- (C) If the establishment has nine to 14 licensed tables, inclusive, the minimum penalty will be \$1050;
- (D) If the establishment has 15 to 25 licensed tables, inclusive, the minimum penalty will be \$2150;
- (E) If the establishment has 26 to 70 licensed tables, inclusive, the minimum penalty will be \$3200;
- (F) If the establishment has more than 71 licensed tables, the minimum penalty will be \$3700;
- (2) The maximum discipline shall be revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter.
- (c) A state gambling license or registration granted by the Commission may be subject to a minimum discipline of suspension for **three days** of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter, if the Commission finds that the holder of the license or registration has:
- (1) Committed any crime, not otherwise listed in these disciplinary guidelines, which substantially relates to the duties and qualifications of the licensee or registrant, or which occurred in a gambling establishment or the associated adjacent property,
  - (2) Engaged in any dishonest, fraudulent, or deceptive activities in connection with controlled gambling, or
  - (3) Engaged in any conduct on the premises of the gambling establishment or in connection with controlled gambling which is inimical to the health, welfare, or safety of the general public.
- (d) A state gambling license or registration granted by the Commission may be subject to a minimum discipline of suspension for **five days** of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter, if the Commission finds that the holder of the license or registration has:
- (1) Violated Business and Professions Code, section 19912 (failure to have valid work permit),
  - (2) Violated an ordinance of any city, county, or city and county, which pertains to gambling or gambling-related activities, pursuant to Business and Professions Code, section 19923,



- (3) Violated Business and Professions Code, section 19924 (failure to maintain security controls),
  - (4) Violated any law or ordinance with respect to campaign finance disclosure or contribution limitations, pursuant to Business and Professions Code, section 19982,
  - (5) Violated California Code of Regulations, title 4, regarding gambling businesses or third-party providers of proposition player services, except for any provision regarding an annual fee,
  - (6) Violated California Code of Regulations, title 11, section 2050, subsection (a) (failure to maintain owner licensee or key employee on premises),
  - (7) Violated California Code of Regulations, title 11, section 2052, (failure to furnish information regarding employees), or
  - (8) Violated California Code of Regulations, title 11, section 2070, subsections (a) through (f) (unsuitable gaming activities), or section 2071, (failure to have gaming activity authorized).
- (e) A state gambling license or registration granted by the Commission may be subject to a minimum discipline of suspension for **fifteen days** of normal business operation and a maximum discipline of revocation, which may be stayed on terms and conditions and any monetary penalty as described in section 12554(d)(7) of this chapter, if the Commission finds that the holder of the license or registration has:
- (1) Violated Business and Professions Code, section 19878 (contract with, employment of, services provided by person(s) with denied, suspended, or revoked license or registration),
  - (2) Violated Business and Professions Code, section 19921 (failure to exclude persons under 21 from access to gambling areas),
  - (3) Violated Business and Professions Code, section 19941 (failure to prohibit persons under 21 from gambling, loitering, being employed in gambling areas, or using fraudulent identification to gamble, loiter, or be employed),
  - (4) Intentionally misrepresented a material fact on an application or supplemental application for licensure or registration,
  - (5) Violated California Code of Regulations, title 4, chapter 7, article 4 (commencing with section 12400), regarding accounting and financial reporting, or
  - (6) Failed to maintain adequate financing for chips in use or for player banks.

1 (f) A state gambling license or registration granted by the Commission may be  
2 subject to a minimum discipline of suspension for **thirty days** of normal  
3 business operation and a maximum discipline of revocation, which may be  
4 stayed on terms and conditions and any monetary penalty as described in  
5 section 12554(d)(7) of this chapter, if the Commission finds that the holder of  
6 the license or registration has:

- 7 (1) Violated or is out of compliance with conditions, limitations, or orders or  
8 directives imposed by the Commission, either as part of an initial grant  
9 of license or registration, renewal of such, or pursuant to disciplinary  
10 action,
- 11 (2) Intentionally provided untruthful responses during an investigation by  
12 the Division, pursuant to Business and Professions Code, section  
13 19827,
- 14 (3) Violated Business and Professions Code, section 19942 (willful failure  
15 to report or pay license fee), or violated California Code of Regulations,  
16 title 4, regarding annual fees for gambling businesses or third-party  
17 providers of proposition player services,
- 18 (4) Willfully interfered with the performance of Commission or Division  
19 duties, pursuant to Business and Professions Code, section 19944,
- 20 (5) Concealed or did not disclose ownership or interest, pursuant to  
21 Business and Professions Code, sections 19850, 19851, 19853, 19854,  
22 19855, 19883, or 19901,
- 23 (6) Committed an act prohibited by Chapter 9 (commencing with section  
24 319) and Chapter 10 (commencing with section 330) of Title 9 of Part 1  
25 of the Penal Code, including but not limited to operation of a banked or  
26 percentage game (Penal Code, section 330), possession of a slot  
27 machine (Penal Code, section 330b) or agreement for slot machine  
28 payout (Penal Code, section 330.1), bookmaking (Penal Code, section  
29 337), and cheating (Penal Code, section 337x),
- 30 (7) Committed extortion (as that term is defined in Chapter 7 of Title 13 of  
31 Part 1 of the Penal Code, commencing with section 518),
- 32 (8) Committed loan-sharking (as that term is used in Civil Code section  
33 1916-3, subdivision (b)),
- 34 (9) Conducted or negotiated illegal sales of controlled substances (as that  
35 term is used in Chapter 1 (commencing with Section 11000) of Division  
36 10 of the Health and Safety Code) or dangerous drugs (as that term is  
37 used in Business and Professions Code, section 4022),
- 38 (10) As an owner licensee, not taken reasonable steps to prevent the  
39 crimes listed in subsections (i)(7) through (i)(9) from occurring at the

- 1 gambling establishment, when the owner licensee knew or should have  
2 known that these crimes were being committed,
- 3 (11) Committed bribery (as that term is used in Penal Code section 67 or  
4 67.5),
- 5 (12) Committed money laundering (as that term is used in Chapter 10 of  
6 Title 7 of Part 1 of the Penal Code, commencing with Section 186.9),
- 7 (13) Been convicted of a crime involving fiscal dishonesty, including but  
8 not limited to tax evasion (26 U.S.C. § 7201),
- 9 (14) Been convicted in any jurisdiction of any offense involving or relating  
10 to gambling, or
- 11 (15) Been found to have violated or be in violation of any law involving or  
12 relating to gambling in a final administrative decision in any jurisdiction.
- 13 Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19859,  
14 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931 19971, and 19984 of  
15 the Business and Professions Code.
- 16 Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878,  
17 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of  
18 the Business and Professions Code.

19

20 **12561. Grounds for Revocation for Holders of Licenses, Registrations,**  
21 **Findings of Suitability, or Approvals**

22 A state gambling license, registration, finding of suitability, or approval granted by  
23 the Commission shall be subject to **revocation** by the Commission on any of the  
24 following grounds:

- 25 (a) If the Commission finds the holder to have been convicted of a felony or a  
26 crime of moral turpitude,
- 27 (b) If the Commission finds the holder to have engaged in or committed a  
28 prohibited act specified in Business and Professions Code section 19863  
29 (no more than one gambling establishment at racetrack),
- 30 (c) If the Commission finds the holder no longer meets any criterion for  
31 eligibility, qualification, suitability or continued operation, including those  
32 set forth in Business and Professions code sections 19857, 19858, or  
33 19880, as applicable,
- 34 (d) If the Commission finds the holder currently meets any of the criteria for  
35 mandatory denial of an application set forth in Business and Professions  
36 Code sections 19859 or 19860,
- 37 (e) If the Commission finds that a third-party provider of proposition player  
38 services licensee or registrant has committed any of the acts listed in  
39 California Code of Regulations, title 4, section 12200.18, or

(f) If the Commission finds that a gambling business licensee or registrant has committed any of the acts listed in California Code of Regulations, title 4, section 12220.18.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19853(a)(3), 19854, 19859, 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931 19971, and 19984 of the Business and Professions Code.

Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the Business and Professions Code.

## **12562. Settlements**

All settlements of an accusation shall be approved by the Commission or, at the Commission Chair's direction, by the Executive Director. Any settlement shall include a plan for immediate abatement of the violation, a plan for immediate compliance with all statutory and regulatory requirements, an agreement to the penalty imposed, and shall be a full and final settlement of the violation including a complete waiver of all judicial or other review.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19859, 19875, 19912, 19913, 19914, 19920, 19922, 19924, 19930, 19931 and 19971 of the Business and Professions Code.

Reference: Sections 19844, 19852, 19857, 19858, 19859, 19862, 19863, 19870, 19875, 19878, 19880, 19913, 19914, 19920, 19922, 19923, 19924, 19930, 19931, 19941 and 19942 of the Business and Professions Code.

## **12564. Precedential Decisions.**

Pursuant to Government Code section 11425.60, the Commission, at a noticed Commission meeting, may:

(a) Designate all or part of any of the following as a precedential decision:

(1) An adopted final decision,

(2) An adopted stipulated decision pursuant to a settlement agreement, or

(3) An adopted stipulated decision pursuant to an Offer to Pay Penalties in Lieu of the Formal Hearing Process.

(b) Reverse in whole or in part the prior designation of a decision as a precedential decision.

Authority: Sections 19811, 19823, 19824, 19840, 19841, 19850, 19854, 19912, 19914, 19920, 19922, 19924, 19930, and 19971 of the Business and Professions Code.

Reference: Sections 19857, 19858, 19859, 19862, 19870, 19878, 19912, 19913, 19914, 19930, and 19931 of the Business and Professions Code. Section 11425.60 of the Government Code.